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Dear [name],

Do you have a retirement account? Smart move! Many people wisely take advantage of tax incentives to contribute to IRAs, 401(k)s, and similar plans. For many of our [alumni, constituents, members], these funds are their largest asset. If you too, are the owner of a large retirement plan, you need to know that there are significant tax advantages to making charitable gifts with retirement plan assets

The IRS regards any remaining balance left in your retirement account to be untaxed income. That means if you bequeath that balance to your heirs, the IRS will subject it to both income and estate tax. This **potential double taxation can consume as much as 60% of the value of your account for very large estates.** However, even if your estate is not large, there are still significant tax advantages to making charitable gifts with retirement plan assets.

You have options to reduce this potential tax hit without depriving your loved ones. You can create a meaningful legacy at [organization, foundation] by naming the [organization formal name] as the beneficiary of your retirement plan – and then use other tax-advantaged assets to make gifts to children, family, and friends. As a nonprofit organization, [organization short name] won't pay income tax on the distribution (nor will the plan balance be included in your taxable estate). Your heirs can receive more of your estate because the tax-advantaged assets you leave to them will not be subject to income or estate taxes.

Learn more by returning the enclosed reply card to receive our **free brochure that explains how a gift of retirement assets might benefit you, your family, and [organization short name].** Of course, you should share this information with your tax or legal advisor. Contact me at [email] or 000-000-0000 for a confidential, conversation at any time. I'd be happy to explore the possibilities with you.

Sincerely,

Jane Doe

Vice President, Principal Gifts and Gift Planning

P.S. When you name [organization short name] as your retirement plan beneficiary, **100% of the funds will support an area you care about** – [student scholarships, faculty, athletics, research, the arts, the elephants] to name a few. It's a smart way to maximize your assets and make a powerful impact.